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ABSTRACT

This handbook was assembled to aid Michigan communities in the establishment of district libraries, or libraries formed by united efforts and resources of two or more municipalities. Two major areas are covered, establishment and funding. The "Establishment" section outlines steps involved in the process, sample resolutions of municipalities and public library boards, a sample district library agreement, Library of Michigan filing requirements, and other considerations. The "Funding" section describes options for income sources, including districtwide millages, local millages, appropriations, bonding, or combinations thereof. A section on district library boundaries covers adding new participating municipalities and withdrawing from the district. Appendices contain the text of Michigan legislation which governs the process of establishing and financing a district library. (BEW)

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DISTRICT LIBRARY LAW

A GUIDE FOR ESTABLISHING & FUNDING A DISTRICT LIBRARY IN MICHIGAN

1994 EDITION

Library of Michigan

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Michigan District Library Law

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I. INTRODUCTION

Michigan's District Library Establishment Act, effective 22 May 1989, allows two or more municipalities to join together to form a district library. District libraries are controlled by district library boards which are taxing authorities pursuant to the Michigan Constitution, Article IX, section 6. As a taxing authority, the district library board has the power to place a districtwide library millage question on the ballot for voter approval.

The purpose of this publication is to aid communities in establishing district libraries. This applies to communities which currently have legally-established public libraries, as well as those which do not. Current public libraries may wish to consider re-establishment as district libraries because of the independence of the district library board and because of the potential for a separate and stable districtwide millage.

This publication should not, however, be a community's sole source of information for establishing a district library. Municipalities which are in the process of establishing a district library should work with an attorney to complete and file the necessary documentation. The local public library cooperative director, the Library Establishment Specialist at the Library of Michigan, and local election officers should be consulted.

This publication covers two major areas of district libraries: (1) **establishment** (including the selection of participating municipalities, board structure, the district library agreement, proper filing with the Library of Michigan, and other miscellaneous considerations) and (2) **funding** (including various options such as districtwide millages, local millages, local appropriations, and bonding issues). For further assistance, please contact the Library Establishment Specialist at the Library of Michigan.

II. ESTABLISHMENT

To establish a district library, at least two municipalities must agree to join to provide library service. The statute defines a "municipality" as a city, village, school district, township, or county. The municipalities which join to establish a district library are referred to as "participating municipalities" in the statute.

A. Steps to Establish a District Library

If two or more municipalities decide to establish a district library, the following steps are suggested:

1. **Preliminary meetings**: Representatives from the governing boards of the municipalities and the current public library, as well as other interested citizens, meet to discuss the various options of establishing a district library. These preliminary discussions focus on (a) the advisability of establishing a district library in the particular community and (b) which municipalities would be "participating."

2. **Resolutions**: The governing boards of the participating municipalities may adopt resolutions to work with the other participating municipalities to plan toward establishing a district library. The resolutions appoint representatives to a District Library Planning Committee and indicate that a District Library Agreement will be entered into by all participating municipalities.

3. **District Library Planning Committee**: Representatives from the participating municipalities, from the current public library, and other interested citizens are selected by the participating municipalities and library to form a District Library Planning Committee. The charge of this group is to decide (a) the "participating municipalities," (b) board structure (appointed or elected and number of board members), and (c) other agreement provisions required by 1989 PA 24.

4. **District Library Agreement**: An attorney for the participating municipalities draws up a District Library Agreement based on decisions made by the District Library Planning Committee and agreed to by all of the participating municipalities. This agreement is signed by the participating municipalities and approved by all current public library boards within the district. All participating municipalities adopt resolutions to establish the district library.

5. **Filing With the Library of Michigan**: The resolutions and signed District Library Agreement are filed with the State Librarian at the Library of Michigan. The State Librarian has 30 days in which to approve or disapprove the establishment of the district library.

6. **Districtwide Library Millage**: If the District Library Agreement states that the district library establishment will not be permanent until a districtwide library millage is approved by the voters, then the district library board places a millage question on the ballot within the specified time period. If a districtwide millage is required for establishment, and if a district library millage is approved by the voters, then the election results are filed with the Library of Michigan in order to "finalize" approval of the district library status. If no successful districtwide millage is obtained within the time specified in the agreement, then the Library of Michigan will declare that the district library is terminated.

B. **Resolutions of Participating Municipalities**

Pursuant to section 3(1)(b), 1989 PA 24, the legislative body of each participating municipality must adopt a resolution providing for the establishment of a district library and approving a District Library Agreement. The legislative bodies may also adopt a resolution regarding the District Library Planning Committee.

- The first resolution is a statement by the legislative body indicating that it wishes to establish a district library with other municipalities. This resolution approves the formation of a District Library Planning Committee made up of representatives from all interested municipalities and the library. The purpose of the Committee is to develop a District Library Agreement. This resolution is recommended, but it is <u>not</u> required by statute.

SAMPLE: The first resolution of the legislative body

The _____ township board hereby resolves:

1. That it is interested in joining with the city of _____ to establish a district library pursuant to 1989 PA 24;

2. That it will appoint two representatives from the township to the District Library Planning Committee, which is charged with preparing a District Library Agreement; and

3. That if the District Library Agreement is acceptable to the township board, it will adopt a resolution to establish a district library and to sign the Agreement.

- The second resolution of the legislative body is adopted after the District Library Planning Committee has drafted an acceptable District Library Agreement. This resolution states that the municipality resolves (i) to establish a district library with the other municipalities and (ii) to approve the District Library Agreement. This resolution is required by statute.

SAMPLE: The second resolution of the legislative body

Whereas, the _____ township board finds that the District Library Agreement presented by the District Library Planning Committee is acceptable, the township board hereby resolves:

1. That it establishes a district library with the city of _____ pursuant to 1989 PA 24;
2. That it approves the District Library Agreement and that it directs the board chair to sign the District Library Agreement on behalf of the _____ township board.

C. **Resolution of Public Library Board**

If the proposed district contains a legally-established public library, the governing library board must adopt a resolution approving the establishment of a district library and approving the District Library Agreement. The public library board may adopt resolutions to transfer certain assets of the public library to the new district library board.

SAMPLE: The public library board resolution

Whereas, the _____ township board and the _____ city council have adopted resolutions to establish a district library, and

Whereas, the _____ public library is a legally established public library within the proposed district, and

Whereas, section 3(1)(a), 1989 PA 24, requires approval of the governing board of such a public library,

The _____ public library board hereby resolves:

1. That it approves the establishment of a district library made up of the _____ township and _____ city; and
2. That it approves the District Library Agreement and directs the library board chair to sign that agreement on behalf of the _____ public library board.
3. That it agrees to transfer its ownership in the property of the public library to the new district library board.

D. **District Library Agreement**

The District Library Establishment Act, 1989 PA 24 provides that the legislative bodies of the participating municipalities must enter into a District Library Agreement. If the proposed district contains a public library, the governing board of the public library must also approve the District Library Agreement. *NOTE: This applies only to governing boards of public libraries which are recognized by the Legislative Council as lawfully established for purposes of the distribution of state aid and penal fines. It does not apply to advisory boards, to boards of branch libraries, or to boards of libraries not recognized by the Legislative Council.*

Section 4(1), 1989 PA 24, provides that the District Library Agreement must include the following provisions:

(a) **Participating Municipalities**: The District Library Agreement must identify the participating municipalities establishing the district library. If a participating municipality includes less than its entirety (for example, a county which contains public libraries whose service area is excluded from the proposed district), then the District Library Agreement must specify which parts of the municipality are included in the proposed district.

(b) **District Library Board**: The District Library Agreement must indicate whether the district library board will be appointed or elected. If the board is to be appointed, the District Library Agreement must state the term of office, the total number of board members (no less than five and no more than eight), and the number of board members to be appointed by each participating municipality. If the board members are to be elected, the District Library Agreement must indicate the number of provisional board members to be appointed by the legislative body of each participating municipality. Note that, if the board is elected, there must be seven board members.

(c) **Appropriation**: The District Library Agreement must state the percentage of the money in the annual budget (section 13) to be supplied by each participating municipality. If the establishment of the district library is contingent upon the approval of a districtwide millage, this provision should indicate the number of years for which the participating municipalities will be responsible for providing this appropriation.

(d) **Amending the Agreement**: The District Library Agreement must indicate the procedure for amending the District Library Agreement. This provision must require the consent of the legislative bodies of not less than two-thirds of the participating municipalities. This provision could also include approval by the district library board.

(e) **Withdrawal**: The District Library Agreement must state the period of time after the effective date of the agreement (not less than one year) during which the participating municipalities may not withdraw from the district library (see section 24).

(f) **Distribution of Assets**: The District Library Agreement must include a provision for any distribution of district library assets to take place upon the withdrawal of a participating municipality.

(g) **Other Provisions**: The District Library Agreement may contain any necessary provisions regarding the district library.

Section 4(2) 1989 PA 24, provides that the District Library Agreement may state that the district library board is abolished and the district library terminates unless the district electors approve a district library millage at a specified minimum rate on or before a specified date. If the District Library Agreement contains such a provision, the District Library Agreement shall specify the manner in which the net assets of the district library shall be distributed upon termination and shall contain a plan for continuing public library service to all residents of the district after termination. *Example: "If the millage is unsuccessful, the former city library is reinstated and all assets of the district library are transferred to the city library board, which will continue public library service to all residents of the district."*

The District Library Planning Committee should consider carefully all necessary provisions of the District Library Agreement. It is advisable to consult an attorney to draft the District Library Agreement and for advice on the inclusion of various provisions. Note that separate documents may be necessary for transfers of real or personal property, lease agreements, or transfer of contractual obligations.

E. Library of Michigan Filing Requirements

1. District Library Agreement and Resolutions

The District Library Establishment Act provides in section 5, 1989 PA 24, that the participating municipalities shall submit the District Library Agreement to the State Librarian within ten days following the date on which the agreement is adopted. The State Librarian then has 30 days in which to approve or disapprove the District Library Agreement.

If the District Library Agreement is approved, then the district library is recognized as legally established pursuant to 1989 PA 24, and the district library board will have the powers enumerated in the District Library Establishment Act. The district library will also be eligible for state aid and penal fines, subject to compliance with any regulations relating to those sources of funding.

If the State Librarian disapproves the agreement, the State Librarian shall explain in the written statement the reasons for the disapproval, and the district library shall not be recognized as lawfully established for purposes of distribution of state aid and penal fines. The participating municipalities may revise the District Library Agreement (if possible) to comply with the statutory requirements.

Note that the State Librarian may only disapprove a District Library Agreement if it fails to conform with the provisions of 1989 PA 24. Some examples of reasons that the State Librarian may disapprove a District Library Agreement are:

(1) The proposed district contains a public library, and the governing board of that public library has not approved the District Library Agreement. NOTE: This would apply if any part of a public library's legal service area is included in the proposed district.

(2) The agreement is signed by only one participating municipality.

(3) The District Library Agreement is signed without authorization (resolution) of the legislative bodies of the participating municipalities.

(4) The District Library Agreement does not include all of the required provisions set forth in section 4(1), 1989 PA 24.

(5) The District Library Agreement provides for a district library board structure which is not permitted by 1989 PA 24. *NOTE: If the library board is appointed, it must have five, six, seven, or eight board members. If the board is elected, it must have seven board members elected districtwide, and the agreement must provide for a provisional board in the interim before the next election.*

(6) Two of the municipalities are school districts which hold their regularly scheduled elections on different dates.

2. Millage Election Results

If the District Library Agreement states that the establishment of the district library is contingent upon voter approval of a districtwide millage, then the district library board must file a copy of the certified election results showing approval of the districtwide library millage with the Li-

brary of Michigan. Upon receipt of the election results, the State Librarian shall give final approval to the establishment of the district library. If the districtwide millage is not approved within the time specified in the District Library Agreement, then the State Librarian shall declare the district library to be terminated. See section 4(2), 1989 PA 24.

F. Miscellaneous Considerations

In addition to the District Library Agreement and resolutions required by statute, there are other legal documents which may be necessary for effecting transfer of the provision of library services to the new district library. If there is currently a public library within the district which plans to transfer its functions to the new district library, then there should be written documentation of these transfers. Areas to consider include real property, personal property, intangible property, and employee benefits.

Real Property. If the current public library board owns the library building, that board should deed the property over to the new district library board. Any deeds transferring real property should be prepared by an attorney and should be properly recorded. If the library board does not own the property, and if the current owner does not wish to deed the property to the new district library board, then the new district library board should obtain a lease prepared by an attorney.

Personal Property. The current library board should also transfer to the district library board ownership of all library personal property, including books and other materials, furniture, equipment, and other tangible items.

Intangible Property. Intangible property, including contracts, should be transferred from the current library board to the new district library board. These should be reviewed by an attorney, as some contracts and other documents may not be transferrable.

Employee Benefits. The new district library board has the option of creating new benefit plans for employees. It may be possible to contract for benefits and other services with one of the participating municipalities. Examples include retirement plans, writing payroll checks, health insurance, etc. For certain benefits, however, the new district library may not be permitted to participate in the former library plan and may need to obtain a new plan. *NOTE: School district public libraries which re-establish as district libraries may continue certain school retirement benefits pursuant to 1989 PA 194.*

III. FUNDING

The District Library Establishment Act provides several methods for funding district libraries:

(1) districtwide millage,

(2) local millages in individual municipalities,

(3) appropriations from participating municipalities,

(4) districtwide bond issues, or

(5) a combination of any of the above.

Other methods of funding district libraries (penal fines, state aid, and grants of federal funds) are not covered in this publication.

A. Districtwide Millages

Section 7 of the District Library Establishment Act provides that the library "constitutes an authority under section 6 of article IX of the state constitution of 1963." This authority enables the district library board to put a millage question on the ballot without first seeking approval from the participating municipalities. It also means that the district library millage is outside of the fifty-mill cap.

A districtwide millage may be any amount up to 4 mills (see section 13).

Section 14 of the District Library Establishment Act provides that Michigan election law, 1954 PA 116, applies to an election for a districtwide library millage, except to the extent that those provisions are inconsistent with the provisions of the district library act. The District Library Establishment Act sets out specific details regarding districtwide millage elections. If none of the participating municipalities is a school district, then sections 15-18 and section 23 will apply for the districtwide millage election. If one of the participating municipalities is a school district, then the election for a districtwide library millage is governed by section 15 and sections 19-23.

Prior to placing a millage question on the ballot, the district library board should have an attorney review the ballot language and the procedure. The ballot proposal must state the amount of millage and must be filed within the guidelines set by the District Library Establishment Act.

The election for a districtwide millage may be either a special election or may be held with the general election (if none of the participating municipalities is a school district, see section 15(2)). If one of the participating municipalities is a school district, the districtwide millage election may be held with the school election (section 15(3)).

To pass a districtwide millage, approval by a majority of the electors voting districtwide is required. It is not possible for a **districtwide** millage to be passed and levied in only one of the participating municipalities.

B. Local Millages

In addition to, or instead of, a districtwide library millage, a district library may be funded with local millages levied in the individual participating municipalities. These local millages are governed by sections 13(4), (5), and (6).

If the participating municipality wishes to fund the district library through a local millage, the governing board of that municipality must place the question on the ballot for approval by the voters. If approved, the millage will be levied only in the municipality which approved the millage (not in the entire district).

Unlike the districtwide millage (which is outside of the fifty- mill cap), local millages to support the district library do fall within the fifty-mill cap. For that reason, a districtwide library millage is usually preferable to a local millage. A local millage will probably only be sought if the local municipality wishes to enhance services (for example, a branch library) in its municipality beyond the bounds of the districtwide millage fund.

C. Appropriations

In addition to, or instead of, library millages, the participating municipalities may appropriate funds to support the district library. These appropriations are made from a municipality's general fund and do not need separate voter approval.

If a district library is funded by districtwide and/or local millages, there may be no need for additional appropriations from the participating municipalities. Appropriations may be necessary, however, in the interim period after the district library has been established but before a districtwide millage has been approved and collected. The district library agreement should make provision for appropriations by the participating municipalities prior to the passage and collection of a districtwide millage.

Appropriations from participating municipalities might also be necessary if a districtwide millage expires and is not renewed immediately. The participating municipalities may or may not be required to make such appropriations depending on the requirements of the district library agreement.

D. Bonding

District library bond issues are covered by the District Library Financing Act, 1988 PA 265, as amended by 1989 PA 25 (see Appendix). District library boards should not attempt a bond issue without consulting an attorney.

IV. DISTRICT LIBRARY BOUNDARIES

Pursuant to the District Library Establishment Act, the boundaries of a district library district may be changed either by adding a new municipality or by the withdrawal of a participating municipality.

A. Adding New Municipalities

Section 25 of the District Library Establishment Act provides a procedure for adding new municipalities to an existing district library. In order to add a new participating municipality, each of the following requirements must be satisfied:

- the governing body of the new municipality, by majority vote, resolves to join the district.
- the district library board adopts a resolution to accept the municipality and to amend the district library agreement to reflect the addition of the municipality and changes in board representation, etc., as necessary.
- if there is a districtwide library millage, the voters in the new participating municipality must approve a library millage of that amount.
- the new municipality complies with any other provisions required by the district library agreement.

B. Withdrawing from the District

Section 24 of the District Library Establishment Act provides procedures for a participating municipality to withdraw from a district library district. NOTE: If all but one of the participating municipalities withdraw from the district, the district library is terminated.

In order to withdraw from a district with a voted millage, each of the following requirements must be satisfied:

- not less than 2 months before the next regularly scheduled election of the municipality, the governing board of the municipality must adopt a resolution to withdraw from the district library on a date specified in the resolution (not less than 6 months after the next regularly scheduled election).
- the resolution to withdraw must be approved by a majority of the electors of the municipality voting at the regularly scheduled election.
- a copy of the official canvass statement and a certified copy of the resolution as approved by the voters must be filed with the Library of Michigan and must be distributed to the remaining participating municipalities.

- payment must be made to the district library or its creditors for all obligations of the municipality seeking to withdraw.
- the withdrawing municipality must furnish the Library of Michigan a plan for continuing library service after withdrawing.

If there is no districtwide library millage for the district library, a participating municipality may withdraw if the following requirements are satisfied:

- the governing body of the municipality adopts a resolution to withdraw on a date specified in the resolution (not less than 1 year from the date of the resolution). NOTE: If a districtwide millage is approved after the adoption of the resolution, but prior to the withdrawal date, the resolution to withdraw will be null and void. If the municipality still wishes to withdraw, it must follow the steps listed above.
- the resolution is filed with the Library of Michigan and with the governing bodies of the remaining participating municipalities.
- payment must be made to the district library or its creditors for all obligations of the municipality seeking to withdraw.
- the withdrawing municipality must furnish the Library of Michigan a plan for continuing library service after withdrawing.

V. **APPENDIX**

PREFACE

These acts are reprinted under the editorial direction of the Legislative Service Bureau from the text of the Michigan Compiled Laws, supplemented through Act 114 of the 1994 Regular Session of the Michigan Legislature.

Materials in boldface type, particularly catchlines and annotations to the statutes, are not part of the statutes as enacted by the Legislature.

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THE DISTRICT LIBRARY ESTABLISHMENT ACT

Act 24 of 1989

AN ACT to provide for the establishment and maintenance of district libraries; to provide for district library boards; to define the powers and duties of certain state and local governmental entities; and to repeal certain acts and parts of acts.

History: 1989, Act 24, Imd. Eff. May 22, 1989.

The People of the State of Michigan enact:

397.171 Short title.

Sec. 1. This act shall be known and may be cited as "the district library establishment act".

History: 1989, Act 24, Imd. Eff. May 22, 1989.

Cited in other sections: Section 397.171 et seq. is cited in § 38.1369g.

397.172 Definitions.

Sec. 2. As used in this act:

(a) "Agreement" means a district library agreement required by section 3 or the agreement governing a district library established pursuant to former Act No. 164 of the Public Acts of 1955.

(b) "Board" means a district library board.

(c) "District" means the territory of the participating municipalities that is served by a district library established pursuant to this act.

(d) "General election" means that term as defined in the Michigan election law, Act No. 116 of the Public Acts of 1954, being sections 168.1 to 168.992 of the Michigan Compiled Laws.

(e) "Largest" means, if used in reference to a participating school district, the participating school district having the most electors voting at the last regularly scheduled school board election in the participating school district.

(f) "Largest" means, if used in reference to a county, the county having the most registered electors of a district as last reported to the county clerk pursuant to section 661 of the Michigan election law, Act No. 116 of the Public Acts of 1954, being section 168.661 of the Michigan Compiled Laws.

(g) "Legislative body" means, if the municipality is a school district, the school board.

(h) "Legislative council" means the legislative council created by the legislative council act, Act No. 268 of the Public Acts of 1986, being sections 4.1101 to 4.1901 of the Michigan Compiled Laws.

(i) "Municipality" means a city, village, school district, township, or county.

(j) "Participating" means, in reference to a municipality, that the municipality is a party to an agreement.

(k) "School district" means 1 of the following but does not include a primary school district or a school district that holds meetings rather than elections:

(*i*) "Local act school district" as defined in section 5 of the school code of 1976, Act No. 451 of the Public Acts of 1976, being section 380.5 of the Michigan Compiled Laws.

(*ii*) "Local school district" as that term is used in Act No. 451 of the Public Acts of 1976, being sections 380.1 to 380.1852 of the Michigan Compiled Laws.

(*l*) "State librarian" means the librarian appointed pursuant to section 5 of the library of Michigan act, Act No. 540 of the Public Acts of 1982, being section 397 15 of the Michigan Compiled Laws.

History: 1989, Act 24, Imd. Eff. May 22, 1989.

Cited in other sections: Section 397.172 is cited in § 211.36.

397.173 Joint establishment of district library; requirements; including portion of township, city, or village in district.

Sec. 3. (1) Two or more municipalities, except 2 or more school districts that hold their regularly scheduled elections on different dates, authorized by law to establish and maintain a library or library services may jointly establish a district library if each of the following requirements is satisfied:

(a) If the proposed district contains a public library recognized by the legislative council as lawfully established for purposes of the distribution of state aid and penal fines, the governing board of the public library approves the establishment of the district library.

(b) The legislative body of each municipality identified in the agreement pursuant to section 4 adopts a resolution providing for the establishment of a district library and approving a district library agreement.

(2) A county, township, city, or village uniting with other municipalities to establish a district library may provide in the resolution required by subsection (1) that only a portion of its territory is included in the district. The portion of a county included in a district shall be bounded by county, township, city, village, or school district boundaries. The portion of a township, city, or village to be included in the district shall be bounded by township boundaries, city boundaries, or village boundaries, respectively, and by existing district library or school district public library boundaries.

History: 1989, Act 24, Imd. Eff. May 22, 1989.

397.174 District library agreement; provisions.

Sec. 4. (1) The agreement shall provide for the creation of a board to govern the operation of the district library and set forth all of the following:

(a) The identity of the municipalities establishing the district library.

(b) The method of selection of board members, whether by election or appointment; if by appointment, their term of office, the total number of board members, and the number of board members to be appointed by the legislative body of each participating municipality; and, if by election, the number of provisional board members to be appointed by the legislative body of each participating municipality.

(c) Of the amount of money to be stated in the annual budget pursuant to section 13, the percentage to be supplied by each participating municipality.

(d) The procedure for amending the agreement, which shall require the consent of the legislative bodies of not less than 2/3 of the participating municipalities.

(e) A period of time after the effective date of the agreement, not less than 1 year, during which the adoption of a resolution to withdraw from the district library pursuant to section 24 shall be void.

(f) Any distribution of district library assets to take place upon the withdrawal of a participating municipality.

(g) Any other necessary provisions regarding the district library.

(2) A district library agreement may provide that the district library board is abolished and the district library terminates unless, on or before a date stated in the agreement, the district electors approve a district library millage at a rate not less than a minimum number of mills stated in the agreement. If the district library agreement contains such a provision, the district library agreement shall specify the manner in which the net assets of the district library shall be distributed to the participating municipalities upon termination and shall contain a plan for continuing public library service to all residents of the district after termination.

History: 1989, Act 24, Imd. Eff. May 22, 1989.

397.175 Submission of agreement and amendment to state librarian; approval or disapproval of agreement, amendment, or revision; statement.

Sec. 5. (1) The legislative bodies of the municipalities that establish a district library shall submit the agreement to the state librarian within 10 days following the date on which the agreement is adopted. A board shall submit an amendment to the agreement to the state librarian within 10 days following the date on which the amendment is adopted.

(2) The state librarian shall approve an agreement or an amendment to an agreement submitted pursuant to subsection (1) or a revision in board structure submitted pursuant to section 6 if it conforms to the requirements of this act and shall disapprove the agreement, amendment, or revision if it does not conform to the requirements of this act. Within 30 days following the date on which the state librarian receives an agreement, amendment, or revision, the state librarian shall send to the board or the legislative bodies that submitted the agreement, amendment, or revision a written statement of approval or disapproval. If the state librarian disapproves the agreement, amendment, or revision, the state librarian shall explain in the written statement the reasons for the disapproval, and the legislative council shall not recognize the district library as lawfully established for purposes of the distribution of state aid and penal fines until the state librarian approves an amendment or revision that causes the agreement to conform to the requirements of this act. If the state librarian fails to send a written statement of approval or disapproval within 30 days following the date on which the state librarian receives the agreement, amendment, or revision, it shall be considered approved.

History: 1989, Act 24, Imd. Eff. May 22, 1989.

397.176 Organizational plan; revision of board structure and selection.

Sec. 6. Within 1 year after the effective date of this act, the board of a district library established pursuant to former Act No. 164 of the Public Acts of 1955 shall submit to the state librarian an organizational plan including the information required to be set forth in an agreement under section 4(1) and shall revise the board structure and selection to conform to section 9 or to sections 10 and 11. If the board of a district library established pursuant to former Act No. 164

of the Public Acts of 1955 complies with this section and the state librarian does not disapprove the revision of board structure and selection, the district library shall be considered to be established pursuant to this act.

History: 1989, Act 24, Imd. Eff. May 22, 1989.

397.177 District library as authority.

Sec. 7. A district library established pursuant to this act constitutes an authority under section 6 of article IX of the state constitution of 1963.

History: 1989, Act 24, Imd. Eff. May 22, 1989.

397.178 Candidate for appointment or election as board member; qualifications; vacancy in office of board member.

Sec. 8. (1) An individual appointed as a board member shall be a qualified elector of the participating municipality that appoints the member on the date the appointment is made. A candidate for election as a board member shall be a qualified elector of a participating municipality on the deadline for filing nominating petitions. A candidate for appointment or election shall be a resident of the district.

(2) The office of board member becomes vacant when the incumbent dies, resigns, is convicted of a felony, is removed from office by the governor pursuant to section 10 of article V of the state constitution of 1963, or ceases to be a resident of the district. In addition, the office of an appointed board member becomes vacant when the incumbent ceases to be a resident of the participating municipality that appointed the incumbent.

History: 1989, Act 24, Imd. Eff. May 22, 1989.

397.179 Appointed board members; number; right to appoint; term; vacancy.

Sec. 9. If an agreement prescribes appointed board members, the board shall consist of not fewer than 5 and not more than 8 members. The agreement may provide that the right to appoint 1 or more board members rotates between 2 or more municipalities. A term shall not be more than 4 years. A member shall serve until the appointment and qualification of a successor. A vacancy shall be filled for the unexpired term by the participating municipality that appointed the member whose position is vacant.

History: 1989, Act 24, Imd. Eff. May 22, 1989.

397.180 Applicability of section; number of elected board members; provisional board; election; terms; nonpartisan ballots; nomination by nonpartisan petitions; signatures; filing petition; certifying names of candidates; vacancy in office of board member.

Sec. 10. (1) This section applies to an election of board members except, if a school district is a participating municipality, to the extent that it is inconsistent with section 11.

(2) If an agreement prescribes elected board members, the board shall consist of 7 members elected at large from the district.

(3) If an agreement prescribes elected board members, a provisional board of 7 members shall be appointed. The members of the provisional board hold office until their successors are elected and qualified.

(4) The first election of board members shall take place at the first general election held 140 days or more after the appointment of the first member of the provisional board. The 4 persons receiving the most votes at the first election for board members have 4-year terms, and the 3 remaining persons elected to the board have 2-year terms. After the first election, board members shall be elected at general elections for 4-year terms that begin on January 1 following the election.

(5) Board members shall be elected on nonpartisan ballots.

(6) A nomination for the office of board member shall be by nonpartisan petitions signed by registered electors of the district. For the first election of board members, the number of signatures shall be not less than 50. For subsequent elections of board members, the number of signatures shall be not less than 1/2 of 1% of the number of persons voting in the district at the last election at which board members were elected. A nominating petition shall be filed with the clerk of the largest county not later than 4 p.m. of the day 110 days before the date of the election. The county clerk with whom nominating petitions are filed shall certify the names of the candidates to the clerk of every other county in which all or part of a participating municipality is located.

(7) A vacancy in the office of a board member shall be filled until the expiration of the vacating board member's term by appointment by majority vote of the remaining board members. However, if the vacancy occurs 140 or more days or, if a school district is a participating municipality, 13 or more Mondays before the first regularly scheduled election of board members that follows the beginning of the term of the board member vacating office and that term is 4 years, all of the following apply:

(a) The vacancy shall be filled by appointment by majority vote of the remaining board members only until the next date on which the term of any board member expires.

(b) A board member shall be elected at the regularly scheduled election of board members next following the occurrence of the vacancy to fill the vacancy for the remainder of the term of the board member vacating office.

History: 1989, Act 24, Imd. Eff. May 22, 1989

397.181 Provisions applicable where school district is participating municipality.

Sec. 11. If a school district is a participating municipality, the following apply to an election of board members for a district library:

(a) The first election of board members shall take place at the same time as the first regularly scheduled election of school board members in the largest participating school district occurring on or after the thirteenth Monday following the appointment of the first member of the provisional board. The term of office of an elected member of the board begins at the same time as the term of a school board member elected at the same election in the largest participating school district.

(b) A nomination for the office of board member shall be by a petition meeting to the extent applicable the same requirements, including filing requirements, as a nominating petition for the office of school board member in the largest participating school district. However, the petition shall be filed not later than 4 p.m. of the ninth Monday preceding the election. For the first election of board members, the number of signatures shall be not less than 50. For subsequent elections of board members, the number of signatures shall be not less than 1/2 of 1% of the number of persons voting in the district at the last election at which board members were elected. A nominating petition shall be filed with the secretary of the school board of the largest participating school district. The secretary of that school board shall certify the names of the candidates and the date of the election to the secretary of the school board of every other participating school district and to the election officials authorized by this act to conduct the election in each participating municipality all or a portion of which is located within a nonparticipating school district.

History: 1989, Act 24, Imd. Eff. May 22, 1989

397.182 Powers of board; compensation and expenses of board members; deposit and expenditure of money in district library fund.

Sec. 12. (1) A board may do 1 or more of the following:

(a) Establish, maintain, and operate a public library for the district.

(b) Appoint and remove officers from among its members.

(c) Appoint and remove a librarian and necessary assistants and fix their compensation.

(d) Acquire real or personal property for use for library purposes by purchase, land contract, installment purchase contract, lease with or without option to purchase, or title retaining contract.

(e) Erect buildings.

(f) Supervise and control district library property.

(g) Enter into a contract to receive library-related service from or give library-related service to a library or a municipality within or without the district.

(h) Adopt bylaws and regulations, not inconsistent with this act, governing the board and the district library.

(i) Propose and levy upon approval of the electors as provided in this act a tax for support of the district library.

(j) Borrow money pursuant to the district library financing act, Act No. 265 of the Public Acts of 1988, being sections 397.281 to 397.290 of the Michigan Compiled Laws.

(k) Issue bonds pursuant to Act No. 265 of the Public Acts of 1988.

(l) Accept gifts and grants for the district library.

(m) Do any other thing necessary for conducting the district library service, the cost of which shall be charged against the district library fund.

(2) A board may reimburse a board member for necessary expenses that the member incurs in the performance of official duties. A board may compensate board members for attending meetings of the board and shall include the amount of compensation in the annual budget. Compensation shall not exceed $30.00 per board member per meeting. A board member shall not be compensated for attending more than 52 meetings per year.

(3) Money for the district library shall be paid to the board and deposited in a fund known as the district library fund. The board shall exclusively control the expenditure of money deposited in the district library fund.

History: 1989, Act 24, Imd. Eff. May 22, 1989

397.183 Determination of money necessary for establishment and operation of district library districtwide tax; payment by participating municipality; approval of tax; library tax.

Sec. 13. (1) Subject to any limitation in the district library agreement on the amount of the district library annual budget or the amount or percentage of an increase in the district library annual budget, or both, that applies in the absence of a districtwide tax approved by the electors, the board shall annually determine the amount of money necessary for the establishment and operation of the district library and shall state that amount in an annual budget of the district library.

(2) All or part of the money necessary for the establishment and operation of a district library may be supplied by a tax levied by the district library on the taxable property in the district. A district library shall not levy a tax authorized by this subsection unless the tax is approved as provided in section 15. However, a districtwide tax in effect or authorized to be levied by a district library established pursuant to former Act No. 164 of the Public Acts of 1955 may be levied by the district library at the rate and for the period of time originally authorized without being approved as provided in section 15.

(3) A districtwide tax or taxes authorized by subsection (2) shall not exceed 4 mills.

(4) That portion of the total districtwide tax or taxes that exceeds 2 mills shall be authorized to be levied for a period of not more than 20 years. However, if 1 or more of the participating municipalities had a legally established public library with an authorized tax levy of more than 2 mills on December 31, 1993, that portion of the total districtwide tax or taxes that exceeds the greatest number of mills authorized to be levied by any such participating municipality for its public library on December 31, 1993 shall be authorized to be levied for a period of not more than 20 years.

(5) Of the amount of money stated in the annual budget pursuant to subsection (1) that is not supplied by a districtwide tax, the legislative body of each participating municipality shall annually pay to the board the percentage set forth in the agreement pursuant to section 4. A participating municipality may make the payment by appropriating money from its general fund or by levying a tax for district library purposes on the taxable property in the municipality, or both.

(6) A participating municipality shall not levy a tax authorized by subsection (5) unless the tax is approved by a majority of the electors who reside in the participating municipality and vote on the proposal. Not less than 60 days before the date of the election, the legislative body of a participating municipality shall certify a proposed tax to the clerk of the municipality or, if the participating municipality is a school district, to the secretary of the school board for inclusion on the ballot.

(7) A library tax in effect or authorized to be levied by a participating municipality before the municipality became a party to an agreement may be levied at the rate and for the period of time originally authorized and used as a source of all or part of the percentage of money set forth in the agreement pursuant to section 4, unless prohibited by the millage authorization.

History: 1989, Act 24, Imd. Eff. May 22, 1989;—Am. 1994, Act 114, Imd. Eff. May 11, 1994.

397.184 Provisions governing elections.

Sec. 14. (1) An election for or recall of board members and an election for a districtwide tax shall be conducted under the provisions of the Michigan election law, Act No. 116 of the Public Acts of 1954, being sections 168.1 to 168.992 of the Michigan Compiled Laws, and applicable provisions of the school code of 1976, Act No. 451 of the Public Acts of 1976, being sections 380.1 to 380.1852 of the Michigan Compiled Laws, except to the extent that those provisions are inconsistent with the provisions of this act.

(2) If none of the participating municipalities are school districts, an election for a districtwide tax is governed by sections 15 to 18 and section 23. If 1 or more of the participating municipalities are school districts, an election for a districtwide tax is governed by section 15 and sections 19 to 23.

(3) If none of the participating municipalities are school districts, an election for district library board members is governed by sections 16 to 18 and section 23. If 1 or more of the participating municipalities are school districts, an election for district library board members is governed by sections 19 to 23.

History: 1989, Act 24, Imd. Eff. May 22, 1989.

397.185 Ballot proposal for districtwide tax; amount of millage; proposed duration; adoption by resolution; certification; special election; authorization of tax levy; limitation on elections.

Sec. 15. (1) A ballot proposal for a districtwide tax shall state the amount of the millage. If section 13(4) limits the maximum duration of a portion of the millage in a ballot proposal for a districtwide tax, the ballot proposal shall state the proposed duration of that portion of the millage.

(2) If none of the participating municipalities are a school district, a proposal for a districtwide tax shall not be placed on the ballot unless the proposal is adopted by a resolution of the board and certified by the board not later than 60 days

before the election to the county clerk of each county in which all or part of the district is located for inclusion on the ballot. The proposal shall be certified for inclusion on the ballot at the next general election, the state primary immediately preceding the general election, or a special election not occurring within 45 days of a state primary or a general election, as specified by the board's resolution.

(3) If 1 or more of the participating municipalities are school districts, a proposal for a districtwide tax shall not be placed on the ballot unless the proposal is adopted by a resolution of the board and certified by the board not later than 60 days before the election to the secretary of the school board of the largest participating school district. The board shall certify the proposal for inclusion on the ballot at the next regularly scheduled election of school board members in the largest participating school district or at a special election not occurring within 45 days of a state primary or a general election, as specified by the board's resolution. The school board secretary to whom the ballot proposal was certified shall promptly certify the proposal and date of election to the secretary of the school board of every other participating school district and to the election officials authorized by this act to conduct the election in the participating municipalities or the portions of participating municipalities located within a nonparticipating school district.

(4) If a special election is requested, within 10 days after receiving the proposal, the school board secretary to whom the resolution was certified by the board or the county clerk of the largest county shall request approval of a special election date from the county election scheduling committee of the school board secretary's school district or the clerk's county. The proposal shall be submitted to the qualified and registered electors residing in the district on the date approved by that county election scheduling committee.

(5) If a majority of the votes cast on the question of a districtwide tax is in favor of the proposal, the tax levy is authorized. No more than 2 elections shall be held in a calendar year on a proposal for a districtwide tax.

History: 1989, Act 24, Imd. Eff. May 22, 1989;—Am. 1994, Act 114, Imd. Eff. May 11, 1994.

397.186 Providing ballots.

Sec. 16. If none of the participating municipalities are a school district, the county election commission of each participating county and each county in which all or part of a participating municipality is located shall provide ballots for an election for board members or a districtwide tax for each participating municipality or part of a participating municipality located within the county.

History: 1989, Act 24, Imd. Eff. May 22, 1989.

397.187 Conduct of election; list of electors.

Sec. 17. (1) Except as otherwise provided in subsection (3), if none of the participating municipalities are school districts, an election for board members or a districtwide tax shall be conducted by the city and township clerks and election officials of the municipalities located within the district.

(2) If an election on a proposal for a districtwide tax is to be held in conjunction with a general election or state primary election or board members are to be elected and if a participating village is located within a nonparticipating township, the township clerk and election officials shall conduct the election. On the forty-fifth day preceding the election, the village clerk shall provide to the township clerk a list containing the name, address, and birth date of each qualified and registered elector of the village or the portion of the village that is included in the district. By the fifteenth day preceding the election, the village clerk shall provide to the township clerk information updating the list as of the close of registration. Persons appearing on the list as updated are eligible to vote in the district election by special ballot.

(3) If a districtwide tax is to be voted on at a special election not held in conjunction with a general election or state primary election and if a participating village is located within a nonparticipating township, the village clerk and election officials shall conduct the election.

History: 1989, Act 24, Imd. Eff. May 22, 1989.

397.188 Publication of notices of close of registration and election; canvass and certification of results of election.

Sec. 18. (1) If an election for board members or a districtwide tax is to be held in conjunction with a general election or a state primary election immediately preceding a general election and none of the participating municipalities are school districts, the notices of close of registration and election shall be published as provided for by the state election laws. Otherwise, if none of the participating municipalities are school districts, the county clerk of the largest county shall publish the notices of close of registration and election. The notice of close of registration shall include the ballot language of the proposal.

(2) If none of the participating municipalities are school districts, the results of an election for board members or a districtwide tax shall be canvassed by the board of county canvassers of each county in which a participating municipality is located. The board of county canvassers of a county in which a participating municipality is located and which

is not the largest county shall certify the results of the election to the board of county canvassers of the largest county. The board of county canvassers of the largest county shall make the final canvass of an election for board members or a districtwide tax based on the returns of the election inspectors of the participating municipalities in that county and the certified results of the board of county canvassers of every other county in which a participating municipality is located. The board of county canvassers of the largest county shall certify the results of the election to the district library board and issue certificates of election.

History: 1989, Act 24, Imd. Eff. May 22, 1989.

397.189 Printing and providing ballots.

Sec. 19. If 1 or more participating municipalities are school districts, the secretary of the school board of each participating school district shall provide for the printing of ballots for that school district. The secretary of the school board of the largest participating school district shall provide ballots for an election for board members or a districtwide tax for a participating municipality or part of a participating municipality located within a nonparticipating school district.

History: 1989, Act 24, Imd. Eff. May 22, 1989.

397.190 Conduct of election for board members or districtwide tax.

Sec. 20. If 1 or more participating municipalities are school districts, the election for board members or a districtwide tax shall be conducted as follows:

(a) The officials otherwise authorized by law to conduct elections in a participating school district shall conduct the election in that school district.

(b) If all or a portion of the participating municipality is located within a nonparticipating school district that is holding an election on the same day as the election for board members or a districtwide tax, the officials authorized by law to conduct elections in the nonparticipating school district shall conduct the election for board members or a districtwide tax in the participating municipality or that portion of the participating municipality located within the nonparticipating school district. The qualified and registered electors of the participating municipality that reside within the nonparticipating school district shall vote in the election for board members or a districtwide tax by special ballot at their regular polling places in the election in the nonparticipating school district. Those qualified and registered electors shall be identified from the registration records of the nonparticipating school district or from a list of the names, addresses, and birth dates of qualified and registered electors of the participating municipality who reside in the nonparticipating school district and are eligible to vote in elections for board members or a districtwide tax. Such a list shall be supplied and updated by the clerk of the participating municipality at the request of the secretary of the school board or other official authorized by law to conduct the election.

(c) If all or a portion of a participating municipality is located within a nonparticipating school district that is not holding an election on the same day as the election for board members or a districtwide tax, the officials authorized by law to conduct elections in the participating municipality shall conduct the election for board members or a districtwide tax in the participating municipality or that portion of the participating municipality located within the nonparticipating school district.

History: 1989, Act 24, Imd. Eff. May 22, 1989.

397.191 Publication of notices for election of board members or districtwide tax; publication of notices of close of registration and election; ballot language of proposal.

Sec. 21. (1) If an election for district board members or a districtwide tax is conducted by a participating school district pursuant to section 20(a), the official required by law to publish notices of the close of registration and election for a school district election in that school district shall publish the notices for the election for board members or a districtwide tax in that school district.

(2) If an election for board members or a districtwide tax is conducted in a participating municipality or a portion of a participating municipality by a nonparticipating school district, pursuant to section 20(b), the official required by law to publish the notices of close of registration and election for a school district election in that school district shall publish the notices for the election for board members or a districtwide tax for the participating municipality or portion of a participating municipality located within that school district. The notices of close of registration and election shall designate the participating municipality for all or a portion of which the election is being conducted pursuant to section 20(b).

(3) If an election for board members or a districtwide tax is conducted by a participating municipality pursuant to section 20(c), the clerk of the participating municipality shall publish notices of close of registration and election for the participating municipality or that portion of the participating municipality located in the nonparticipating school district.

(4) A notice of close of registration published under this section shall contain the ballot language of the proposal.

History: 1989, Act 24, Imd. Eff. May 22, 1989.

397.192 Canvass and certification of results of election.

Sec. 22. (1) If an election for district board members or a districtwide tax is conducted by a participating school district pursuant to section 20(a), the board of canvassers required by law to canvass the results of a school district election in that school district shall canvass the results of an election for board members or a districtwide tax in that school district and, if the school district is not the largest participating school district, certify the results of the election to the board of canvassers of the largest participating school district.

(2) If an election for board members or a districtwide tax is conducted in a participating municipality or a portion of a participating municipality by a nonparticipating school district pursuant to section 20(b), the board of canvassers required by law to canvass the results of a school district election in that school district shall canvass the results of an election for board members or a districtwide tax in the participating municipality or portion of the participating municipality located within the nonparticipating school district and certify the results to the board of canvassers of the largest participating school district.

(3) If an election for board members or a districtwide tax is conducted by a participating municipality pursuant to section 20(c), the board of canvassers required by law to canvass the results of a municipal election in that municipality shall canvass the results of an election for board members or a districtwide tax in the participating municipality or that portion of the participating municipality located within the nonparticipating school district and certify the results of the election to the board of canvassers of the largest participating school district.

(4) The board of canvassers required by law to canvass the results of elections held in the largest participating school district shall make the final canvass of the election for board members or a districtwide tax based on the returns received from the election inspectors of that district and certified results received from other boards of canvassers that canvassed part of the election. The board of canvassers required by law to canvass the results of a school district election in the largest participating school district shall certify the total results of the election to the board and issue certificates of election.

History: 1989, Act 24, Imd. Eff. May 22, 1989.

397.193 Reimbursement for costs of election.

Sec. 23. (1) A county clerk shall charge the district library and the district library shall reimburse the county for the actual costs the county incurs in an election for board members or a districtwide tax.

(2) If a participating township, city, or village conducts an election for district library board members or a districtwide tax, the clerk of that municipality shall charge the district library and the district library shall reimburse the municipality for the actual costs the municipality incurs in conducting the election if 1 or more of the following apply:

(a) The election is not held in conjunction with a regularly scheduled election in that municipality.

(b) Only a portion of the territory of the municipality is included in the district.

(c) The election is conducted pursuant to section 20(c) in conjunction with a regularly scheduled election in the municipality and a portion of the municipality lies within the boundaries of a nonparticipating school district.

(3) If a school district conducts an election for district library board members or a districtwide tax, the officials authorized by law to conduct the election shall charge the district library and the district library shall reimburse the school district for the actual costs that the school district incurs in conducting the election if 1 or more of the following apply:

(a) The school district is a participating school district and the election is not held in conjunction with a regularly scheduled election in that school district.

(b) The school district is a nonparticipating school district conducting the election for a participating municipality all or part of which is located within the school district.

(4) In addition to costs reimbursed pursuant to subsection (1), (2), or (3), a municipality shall charge the district library and the district library shall reimburse the municipality for actual costs that the municipality incurs and that are exclusively attributable to an election for board members or a districtwide tax.

(5) The actual costs that a county, township, city, village, or school district incurs shall be based on the number of hours of work done in conducting the election, the rates of compensation of the workers, and the cost of materials supplied in the election.

History: 1989, Act 24, Imd. Eff. May 22, 1989

397.194 Withdrawal of municipality from district library; amendment of agreement.

Sec. 24. (1) Except to the extent that the agreement provides otherwise, a participating municipality in which a district library tax is in effect or authorized to be levied by the district library or by the participating municipality may withdraw from the district library if each of the following requirements is satisfied:

(a) Not less than 2 months before the next regularly scheduled election of the municipality, the legislative body of the municipality adopts a resolution to withdraw from the district library on a date specified in the resolution. The date specified shall be not less than 6 months after the next regularly scheduled election of the municipality.

(b) Notice of an election on the resolution is published in a newspaper published or of general circulation in the municipality not less than 10 days before the next regularly scheduled election of the municipality following adoption of the resolution.

(c) The resolution is approved by a majority of the electors of the municipality voting on the resolution at the next regularly scheduled election of the municipality following adoption of the resolution. If only a portion of the territory of a municipality is included in the district, the vote shall be conducted only in that portion of the municipality included in the district.

(d) After approval of the resolution by the electors, the clerk of the municipality or, if the municipality is a school district, the secretary of the school board files with the library of Michigan a copy of the official canvass statement and a certified copy of the resolution and files with the board a copy of the official canvass statement and a number of certified copies of the resolution sufficient for distribution to the legislative body of each of the participating municipalities.

(e) Payment or the provision for payment to the district library or its creditors of all obligations of the municipality seeking to withdraw is made.

(f) The legislative body of the withdrawing municipality furnishes to the library of Michigan a plan for continuing, after the municipality no longer receives library services from the district library, public library service for all residents of the withdrawing municipality or the portion of the territory of the withdrawing municipality that is included in the district.

(2) A district library tax in effect or authorized to be levied by the district library or by the withdrawing municipality before the adoption of the resolution to withdraw shall be levied in the municipality for its original purpose but only for the period of time originally authorized and only so long as the board continues in existence. In addition, a municipality that withdraws from a district library shall continue to receive library services from the district library so long as a districtwide tax authorized to be levied before the withdrawal of the municipality continues to be levied in the municipality and the district library remains in operation.

(3) Except to the extent that the agreement provides otherwise, a participating municipality in which no district library tax is in effect or authorized to be levied by either the district library or the participating municipality may withdraw from the district library if all of the following requirements are satisfied:

(a) The legislative body of the municipality adopts a resolution to withdraw from the district library on a date specified in the resolution. The withdrawal date shall follow the date of the resolution by not less than 1 year.

(b) The clerk of the municipality or, if the municipality is a school district, the secretary of the school board files with the library of Michigan a certified copy of the resolution and files with the board a number of certified copies of the resolution sufficient for distribution to the legislative bodies of each of the participating municipalities.

(c) The requirements of subsection (1)(e) and (f) are met.

(4) After the withdrawal of a municipality, the agreement shall be amended to reflect the withdrawal.

History: 1989, Act 24, Imd. Eff. May 22, 1989

397.195 Municipality other than school district as party to existing agreement; requirements; acceptance conditioned on authorization of tax.

Sec. 25. (1) A municipality other than a school district may become a party to an existing agreement if the agreement's requirements concerning the addition of a participating municipality are satisfied, or, in the absence of requirements in the agreement, if each of the following requirements is satisfied:

(a) The legislative body of the municipality resolves by majority vote that the municipality become a participating municipality and that all or, pursuant to section 3(2), a portion of the territory of the municipality be added to the district.

(b) The resolution is conditioned upon the board's adopting, within a period of time specified in the resolution, amendments to the agreement specified in the resolution. The amendments specified shall reflect the addition of the municipality or of the territory to the district and shall include, but need not be limited to, changes in board representation or the percentage of funds necessary for the establishment and operation of the district library to be supplied by each participating municipality after the municipality becomes a party to the agreement.

(c) The board amends the agreement within the time and in the manner specified in the resolution of the legislative body of the municipality. Notwithstanding anything to the contrary in the procedure for amending the agreement set forth in the agreement pursuant to section 4, the amendment shall be made by majority vote of the members of the board elected or appointed and serving.

(2) If there is a districtwide library tax, the board shall condition acceptance of the municipality or portion of the territory of the municipality into the district on the authorization of that tax by a majority of the electors of the municipality or portion of the territory of the municipality voting on the proposal.

History: 1989, Act 24, Imd. Eff. May 22, 1989.

397.196 Repeal of §§ 397.271 to 397.276.

Sec. 26. Act No. 164 of the Public Acts of 1955, being sections 397.271 to 397.276 of the Michigan Compiled Laws, is repealed.

History: 1989, Act 24, Imd. Eff. May 22, 1989.

District Library Financing Act

Act 265 of 1988

AN ACT to authorize district libraries to acquire, construct, or furnish real or personal property for use for library purposes; to authorize district libraries to borrow money and issue bonds and notes and refunding bonds and notes for those acquisitions; and to authorize district libraries to levy a tax for, and to pledge their full faith and credit to, the payment of contracts, bonds, and notes.

History: 1988, Act 265, Imd. Eff. July 15, 1988

The People of the State of Michigan enact:

397.281 Short title

Sec. 1 This act shall be known and may be cited as the "district library financing act".

History: 1988, Act 265, Imd. Eff. July 15, 1988

Cited in other sections: Section 397.281 et seq. is cited in § 397.182

397.282 Definitions

Sec. 2. As used in this act:

(a) "Board" means that term as defined in section 2 of the district library establishment act.

(b) "District" means that term as defined in section 2 of the district library establishment act.

(c) "District Library" means a library established pursuant to the district library establishment act or a library considered to be established pursuant to the district library establishment act under section 6 of that act.

(d) "Legislative Body" means, if the municipality is a school district, the school board.

(e) "Muncipality" means that term as defined in Secion 2 of the district library establishment act.

(f) "Participating" means that term as defined in Secion 2 of the district library establishment act.

History: 1988, Act 265, Imd. Eff. July 15, 1988—Am. 1989, Act 25, Imd. Eff. May 22, 1989

397.283 Powers of board.

Sec. 3. A board may do 1 or more of the following:

(a) Acquire real or personal property for use for library purposes by purchase, land contract, installment purchase contract, lease with or without option to purshase, or title retaining contract.

(b) Borrow money and issue its negotiable bonds or notes to finance the acquisition, construction, and furnishings of buildings or portions of buildings for use for library purposes, the acquisition of the necessary sites for library buildings, or the acquisition and installation of equipment necessary for the operation of the library buildings.

(c) Submit to the lectors of the district a question proposing the issuance of bonds for the purposes described in this act.

(d) Borrow money and issue its negotiable bonds and notes for the purpose of refunding outstanding debt obligations of the district issued for the purposes described in this act.

History: 1988, Act 265, Imd. Eff. July 15, 1988

397.284 Limitation on borrowing money or issuing bonds or notes; conditions to issuance of general obligation unlimited tax bonds; ballot question; refunding bonds.

Sec. 4. (1) A district library shall not borrow money or issue bonds or notes for a sum that, together with the total outstanding bonded indebtedness of the district library, exceeds 5% of the state equalized valuation of the taxable property within the district.

(2) A district library shall not issue general obligation unlimited tax bonds unless all of the following conditions are met:

(a) The board adopts a resulution submitting the question of issuing general obligation unlimited tax bonds or notes to the electors of the district.

(b) The questions of issuing general obligation unlmited tax bonds or notes is certified by the board and the election is bonducted in the manner provided in sections 14 to 23 of the district ibrary establishment act for an election for a districtwide tax.

(c) A majority of the qualified electors of the district voting on the question approve the issuing of the general obligation unlimited tax bonds.

(3) The queston of issuing genreal obligation unlimited tax bonds pursuant to subsection (2) shall be submitted by ballot in substantially the following form:

> "Shall the district library, formed by _____, county(ies) of _____, State of Michigan, borrow the sum of not to exceed dollars ($_____) and issue its general obligation unlimited tax bonds for all or a portion of that amount for the purpose of _____?
> Yes [ ] No [ ]"

(4) Refunding bonds or the refunding part of a bond issue shall not be considered to be within the 5% limitation of subsection (1), but shall be considered to be authorized in addition to the 5% limitation.

History: 1988, Act 265, Imd. Eff. July 15, 1988—Am. 1989, Act 25, Imd. Eff. May 22, 1989.

397.285 Issuance of limited tax bonds or notes by resolution; borrowing money and issuing negotiable bonds and notes by resolutoin.

Sec. 5. (1) Except as otherwise provided in section 4, a district library may issue limited tax bonds or notes by resolution of the board, without submitting the question to the electors of the district.

(2) A district library may borrow money and issue its negotiable bonds and notes for the purpose of refunding outstanding debt obligations of the district by resolutoin of the board, without submitting the question to the electors of the district.

History: 1988, Act 265, Imd. Eff. July 15, 1988—Am. 1989, Act 25, Imd. Eff. May 22, 1989.

397.286 Repealed. 1989, Act 25, Imd. Eff. May 22, 1989.

Complier's note: The repealed section pertained to borrowing money, issuing bonds or notes, and condition to establishment of district library.

397.287 Bonds as debt of district library; withdrawal of participating municipality from district library.

Sec. 7. Bonds issued pursuant to this act are debt of the district library and not of the participating municipalities. Ifa participating municipality withdraws from a district library, taxes imosed for payment of bonds approved as provided in this act before the adoption of the resolution to withdraw shall continue to be levied within the district as if the municipality did not withdraw from the district library until the principal of and interest on those bonds are paid in full.

History: 1988, Act 265, Imd. Eff. July 15, 1988—Am. 1989, Act 25, Imd. Eff. May 22, 1989.

397.288 Authorization and levy of taxes to pay principal of and interest on bonds.

Sec. 8. If a majority of the qualified electors of a district voting on the question of issuing bonds approves the issuance, or if bonds are otherwise issued pursuant to section 5, the board, by resolution, shall authorize and levy the taxes necessary to pay the principal of and interest on the bonds. The taxes shall be levied and collected with the county taxes. If, pursuant to section 5, the bonds are issued without submission of the question of the bond issue to the electors, the board shall not authorize or levy a tax that exceeds the tax levy authorized by a vote of the qualified electors of the district as provided in sections 13 to 23 of the district library establishment act.

History: 1988, Act 265, Imd. Eff. July 15, 1988—Am. 1989, Act 25, Imd. Eff. May 22, 1989.

397.289 Bonds subject to municipal finance act.

Sec. 9. Bonds issued pursuant to this act are subject to the municipal finance act, Act No. 202 of the Public Acts of 1943, being sections 131.1 to 139.3 of the Michigan Compiled Laws.

History: 1988, Act 265, Imd. Eff. July 15, 1988.

397.290 Submission of proposal to issue bonds; limitation.

Sec. 10. A board shall not submit a proposal to issue bonds under this act more than 1 time during a calendar year.

History: 1988, Act 265, Imd. Eff. July 15, 1988—Am. 1989, Act 25, Imd. Eff. May 22, 1989.

District Library Videotape Available

The Library of Michigan has produced "Establishing a District Library", a 12 minute VHS videotape. "Establishing a District Library" is particularly suitable for communities that are considering establishment of a district library.

The tape answers many basic questions:

What are the advantages?

What are the options?

What steps must be taken?

What has been the experience of others?

Establishing a District Library may be borrowed for free from the library cooperative in your area. If you wish more information about district libraries, please contact the Library Establishment Specialist at the Library of Michigan, 517-373-1580.

Library of Michigan

P.O. Box 30007, 717 West Allegan Street, Lansing, MI 48909
Administration: 517-373-1580. Information: 517-373-5400.

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